

**STATE OF MAINE
PUBLIC UTILITIES COMMISSION**

BIDDEFORD & SACO WATER COMPANY

Re: Proposed Tariff Revision to Increase Rates
(\$379,331 or 11.06%)

STIPULATION

Docket No. 2003-593

It is understood and agreed by and between Biddeford & Saco Water Company (“Water Company”), the Office of Public Advocate, and the City of Saco as follows:

I. Purpose

It is the purpose of this Stipulation Agreement to settle all the issues with respect to this proceeding, to eliminate the need to hold a hearing and to expedite the Public Utilities Commission’s consideration and resolution of this proceeding. The provisions agreed to herein have been reached as a result of information gathered through the discovery process and through discussions and negotiations with the Company.

II. Procedural History

On August 14, 2003, Biddeford & Saco Water Company filed an application for a rate increase, requesting an overall increase in annual revenue of \$379,331, which represented a 11.06% increase in revenue. The Public Advocate and the City of Saco intervened in the proceeding. Technical conferences were held on October 28, 2003 and November 21, 2003. Data requests were responded to by the parties.

III. Approvals and Findings by Commission

Based upon the record in this case, the parties to this Stipulation agree and recommend that the Commission conclude this proceeding by issuing an order which approves, accepts and adopts this Stipulation, including the following provisions:

1. The Water Company's rates shall be increased to produce an increase in revenue of \$331,487 (or 9.67%) over test year revenue of \$3,428,672 (as reported to the Public Utilities Commission in the Water Company's 2002 Annual Financial Report). The increase agreed to herein is based upon a 9.7% return on equity.

2. The parties agree that the 9.67% rate increase will be applied uniformly to all rates charged to all customer classes, both metered and unmetered. Revised rate schedules reflecting this rate increase are attached hereto as Exhibit A and shall become effective on the day of the Commission Order approving this Stipulation.

3. The Water Company and the City of Saco agree to continue their joint efforts to develop a mutually acceptable plan for the Water Company to provide service to sections of North Saco that have been designated as growth areas in the City's Comprehensive Plan.

IV. Procedural Stipulations

1. Staff Presentation of Stipulation. The parties to the Stipulation hereby waive any rights that they have under 5 M.R.S.A. ' 9062(4) and Section 742 of the Commission Rules of Practice and Procedure to the extent necessary to permit the Advisory Staff to discuss this Stipulation and the

resolution of this case with the Commissioners at the Commission's scheduled deliberations, without providing to the parties an Examiners Report or the opportunity to file Exceptions.

2. Record. The record on which the parties enter into this Stipulation and on which the Commission may base its determination whether to accept and approve this Stipulation shall consist of :
(a) the initial Application for Rate Increase, and supporting schedules and exhibits; (b) this Stipulation;
(c) all documents and information provided in responses to written or oral data requests and any other material furnished by the Advisory Staff to the Commission, either orally or in writing, to assist the Commission in deciding whether to accept and approve this Stipulation.

3. Non-Precedential Effect. This Stipulation shall not be considered legal precedent, nor shall it preclude a party from making any contention or exercising any rights, including the right of appeal, in any future Commission investigation or proceeding or any other trial or action. 4.

Stipulation as Integrated Document. This Stipulation represents the full agreement between the parties to the Stipulation and rejection of any part of this Stipulation constitutes a rejection of the whole.

5. Incorporation of Attachments: All attachments referred to in this Stipulation are incorporated herein by reference and are intended to be considered as part of this Stipulation as if their terms were fully set forth in the body of this Stipulation.

6. Void if Rejected. If not accepted by the Commission in accordance with the provisions hereof, this Stipulation shall be void and of no further effect and shall not prejudice any position taken by any party before the Commission in this proceeding and shall not be admissible evidence therein or in any other proceeding before the Commission.

Respectfully submitted this 10th day of December, 2003.

OFFICE OF THE PUBLIC ADVOCATE

Dated: _____

By: _____

CITY OF SACO

Dated: _____

By: _____

BIDDEFORD & SACO WATER COMPANY

Dated: _____

By: _____

William S. Harwood
Its Attorney